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Chile

RAISIN ANNUAL

Dried Fruit Annual

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Report Highlights:

Chile's raisin production is estimated to increase during the present Marketing Year due to a larger availability of grapes and good weather conditions that allowed larger amounts of grapes to be sun dried into raisins.

Executive Summary:

For MY2008 (Jan-Dec 2009), raisin production is expected to expand when compared to the previous year, as the availability of discarded table grapes is larger due to a fall in demand by the wine industry. Due to the continue uprooting of table grape orchards with grapes suitable to be dried into raisins lowering their availability production of raisins is not expected to expand in the coming years as in the past.

Commodities:

Raisins

Production:

Raisin production in MY2008 (Jan-Dec 2009) will result larger than both last years output and our previous estimates. Increased production of table grapes together with a lower demand of grapes by the wine and juice industry and good weather with lots of sun during summer and fall and no rain during this season, will allow producers to dry larger amounts of discarded table grapes, increasing raisin production.

For MY2009 (Jan-Dec 2010) and the coming years, production is expected to stay at the same level or fall slightly as was indicated by industry sources. This is mainly due to the uprooting of table grape orchards of varieties (like Thompson Seedless) that are suitable for drying into raisins by farmers who have had negative economic returns with these table grape varieties during the last few seasons. Additionally, the on-going revaluation of the peso against the dollar is making production for exports less attractive as income is in dollars and cost are in pesos.

During the first six months of 2009 the dollar has fallen over 110 pesos again, from 650 to around 540 pesos to the dollar. Raisins are mainly produced for exports; over 90 percent of production is for that market.

Consumption: Chile's best quality raisins are exported. As with most of Chile's fruits, the domestic market normally receives raisins rejected for export. Because domestic raisin consumption is small, it does not influence production or trade decisions. The main end-users of raisins are the baking, pastry and ice cream industries. Raisins are primarily used in finished products such as cakes, cookies, and ice cream. Non-industrial usage and snack consumption are both very limited.

Trade:

Over 90 percent of Chilean raisin production is exported. The Latin American market accounts for half of Chile's raisin exports and it is generally the destination for the lower quality raisins. For MY2008 (Jan-Dec 2009), exports are expected to increase again due to the greater availability of raisins.

Stocks:

Most raisin exporters have a policy of maintaining stock levels close to zero. Whenever possible, exporters prefer to sell or export all of their production. Variations in the ending stock level from one marketing year to the next, generally only means that raisins have not yet been shipped to their destination.

Policy:

The government does not provide direct export subsidies or play any role in setting quality standards for this product.

Marketing:

Prices:

Raisins currently are not a key consumer item in Chile. Consequently, neither the government nor the various exporter associations maintain retail or wholesale prices. Export prices for CY2008 averaged US\$1,935/MT, up from CY2007 average price of US\$1,439/MT.

Production, Supply and Demand Data Statistics:

Raisins Chile	2007			2008			2009		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010		
	USDA Official Data		Old Post	USDA Official Data		Old Post	USDA Official Data		Jan
			Data			Data			Data
Area Planted	51.000	51.000	56.250	0		56.000			56.000 (HA)
Area Harvested	45.200	45.200	47.840	0		48.900			49.100 (HA)

Beginning Stocks	1.170	1.454	1.170	2.520	3.236			2.636	(MT)
Production	67.350	65.000	67.350	69.000	70.000			69.000	(MT)
Imports	0	0	0	0	0				(MT)
Total Supply	68.520	66.454	68.520	71.520	73.236			71.636	(MT)
Exports	62.000	61.800	61.284	65.700	66.500			65.000	(MT)
Domestic Consumption	4.000	3.100	4.000	3.100	4.100			4.200	(MT)
Ending Stocks	2.520	1.554	3.236	2.720	2.636			2.436	(MT)
Total Distribution	68.520	66.454	68.520	71.520	73.236			71.636	(MT)

Export Trade Matrix

Country Chile

Commodity Raisins

Time Period Jan-Dec Units: M.T.

Exports for: 2008 2009

U.S. 10868 U.S. 4798

Others Others

Mexico	7053	Mexico	4939
Peru	6247	Colombia	2328
U.K.	5893	U.K.	2186
Colombia	4888	Peru	1226
Netherlands	3691	Netherlands	1164
Venezuela	3409	Russia	798
Germany	2051	Germany	691
Ecuador	2028	Brazil	590
Brazil	1953	France	536
Poland	1499	Spain	512

Total for Others 38712 14970

Others not Listed 16031 5554

Grand Total 65611 25322

Note: Year 2009 data are for January through Jun only.